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Market Research in Austrian NTO and RTOs: Is the research homework done before spending marketing millions?

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Keywords

tourism marketing, market research in tourism, NTO and RTOs

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Market Research in Austrian NTO and RTOs

Is the research homework done before spending marketing millions?

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Abstract

In times of an increasingly competitive tourism marketplace and when experienced tourists are both capable and motivated to find the offer that best matches their personal vacation needs, market research becomes one of the fundamental building blocks of success, not only for the tourism industry, but also for a destination. The aim of this empirical study that follows the tradition of the studies by Yaman & Shaw (1998) and Ryan & Simmons (1999) is to explore both the importance of market research as perceived by the Austrian National Tourism Organisation (NTO) and the nine Regional Tourism Organisations (RTOs) and the actual implementation of market research projects. For this purpose structured personal interviews were conducted with the market research managers of all RTOs and the Austrian NTO. Central findings include (1) underestimation of the importance of market research by these federal organisations, (2) minimal expenditures relative to operational advertising budgets, (3) a lack of formalized criteria for evaluation of market research needs and (4) a lack of co-ordination of market research and marketing departments.

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1 Introduction

Although Austria is just a small land-locked country with a modest area of 83858 km² it has a very long tradition as a tourism destination. Despite increasing global competition it ranks as one of the top international destinations – 11th in terms of tourist arrivals and 8th with regard to tourism receipts in the year 2000 (Bundesministerium für Wirtschaft und Arbeit, Sektion Tourismus und Freizeitwirtschaft, <http://www.bmwa.gv.at/tourismus>, Source: WTO, last accessed on 22.5.2002). The importance is further illustrated by the fact that the tourism industry accounts for more than 7 percent of the gross domestic product and directly or indirectly employs approximately 14 percent of the Austrian workforce (Österreich Werbung, <http://www.oesterreichwerbung.at>, last accessed on 22.5.2002).

Although these numbers remain fairly constant, the Austrian tourism industry is confronted with some dramatic changes in the touristic marketplace. Competition from cheap summer destinations, an increase in the number of short trips (leading to a reduction of the number of overnight stays during the main holiday) and higher expectations among tourists are just a few examples of the massive changes taking place on tourist demand. In order to remain among the top-tourist-destination countries world wide, Austria cannot afford missing market changes and not reacting to them and consequently must always monitor such developments.

Monitoring of market change typically is the responsibility of a National Tourism Organisation (NTO) and the Regional Tourism Organisations (RTOs). Such tourism organisations are seen as "agencies with the unique and indispensable role of destination marketing authorities" (Moutinho, Rita & Curry, 1996, p. 137) with the main aim "to promote the destination country in the international tourism market". (Moutinho, Rita & Curry, 1996, p. 138). Heath and Wall (1992) provide a list of activities for tourism organisations including the development of a tourism strategy, representing the interests of the tourism industry, development of facilities that satisfy the changing needs of tourists and conducting marketing activities. According to the WTO (1) planning, (2) development and (3) promotion are the main functions of national tourism organisations (Morrison et al., 1995, p. 606).

The role of market research within the tourism field is described as follows by Witt and Moutinho (1989, p. 260): "market research should help pinpoint target markets, help determine the proper tourist marketing mix, and help make most effective use of marketing efforts and expenditures". According to Kotler (1996, p. 651) one of the eight main functions of a NTO is the flow of research data, evaluation of trends and development of a marketing strategy. From the perspective of the World Tourism Organisation WTO market research is a key responsibility of national tourism administrations (Morrison, Braunlich, Kamaruddin & Cai, 1995). Freyer (1993) points out the importance of market research for attracting new tourists to the destination. Bieger (2000) illustrates this in a case study on one of the Austrian Regional Tourism Organizations (Tirol Werbung), which lists marketing research and the development of strategies as one of their four main activities to achieve organisational goals. Yaman & Shaw (1998, p.31) have investigated the use of market research by tourism organizations that "demonstrated that tourism organizations devote substantial resources to the conduct of marketing research, performing many different types of marketing research. In this, tourism organizations are not dissimilar to organizations in general."

Viewed from another perspective, two studies give insight into the goals of NTOs. Akehurst, Bland & Nevin (1993) investigated tourism policies on the European level and found the following goals (ranked according to importance): (1) increase of foreign tourist expenditures, (2) improvement of product quality, (3) reduction of seasonality, (4) increase in the number of

international tourists, (5) geographical redistribution of tourism, (6) increase in industry size, (7) creation of employment, (8) provision of expert advice, (9) encouragement of joint initiatives, (10) improvement of training and professionalism, (11) promotion of environmental tourism, (12) increase in domestic tourist expenditures, (13) regulation of the industry, (14) increase in the number of domestic number of tourists, (15) assistance in restructuring and (15) diversification to tourism.

In another empirical investigation exploring the north American tourist offices (Morrison et al., 1995) the following goals were identified: (1) to promote tourism of country / destination, (2) to increase knowledge of country / awareness, (3) to help educate and facilitate travel trade, (4) to market the destination to tourists, (5) to strengthen the image of destination / country, (6) to increase the number of tourists to destination, (7) to encourage more tourist spending and finally (8) to increase the length of stay of visitors.

From both studies it is obvious that market research¹ at the destination level is typically one of the most fundamental functions of national and regional tourism organisations. The use of market research by tourism organisations was empirically studied by Yaman & Shaw (1998) and Ryan & Simmons (1999). Yaman & Shaw asked 300 tourism organisations in the United States which market research activities they have undertaken, resulting in the following list (decreasingly important): cost analysis, profit analysis, competitive pricing analysis, market potential, industry market characteristics and trends, sales forecasts, sales potential, advertising effectiveness, product satisfaction, internal studies (employee morale, communication, etc.). Ryan & Simmons conducted a similar study in New Zealand and identified the most important research issues necessary for "...developing a sustainable competitive advantage for destination New Zealand" as: (1) operating environment, (2) infrastructure development, (3) operator performance, (4) market development and (5) visitor behaviour.

This study extends this stream of research by (1) investigating the importance and use of market research in Austria and (2) exploring a wide variety of issues in the context of market research in NTOs and RTOs in detail using a combination of descriptive quantitative and case study methodology. The main aim is to explore which role market research plays in Austrian tourism at the level of the federal tourism organisations in order to identify potential weaknesses or shortfalls to be avoided in the future. The empirical findings can be divided, first, into a topic centring around the importance of market research within the federal tourism organisations under study and, secondly, into the actual implementation of market research in these NTO and RTOs. Results are described separately for these two issues. Conclusions are drawn and recommendations for improvement are made.

2 Overview of the organisations

The Austrian NTO is located in the capital of Austria, Vienna. It was established in 1955 with the main goal of increasing the awareness of Austria as a tourist destination internationally as well as generating first time tourist visitors to Austria. Members of the organisation are the

¹ The term *market research* is used synonymously with the term *marketing research* throughout this study with reference to Middleton (1994) and Meffert (1992) and understood as instrument that allows management to minimize market risk by providing the optimal information basis for the marketing planning process (McDonald, 1999).

Republic of Austria, the nine provinces of Austria and the Austrian Chamber of Commerce. The organisation was named "Österreich Werbung" in 1989.

As a result of a major structural reform in 2001, the provinces withdrew from the association, which now consists of only two shareholders: the Republic of Austria (75%) and the Austrian Chamber of Commerce (25%). Österreich Werbung is currently operating on a transition budget with the Republic contributing 330 and the Chamber of Commerce 110 million Austrian Schillings (approximately 41 and 14 million AUD). Further financial requirements will be funded by commercial activities of the NTO in future.

Besides the NTO, each Austrian province has its own RTO located in the capital of the province. The goal of an RTO is to enhance its regional image and to market provincial tourism products. As tourism law in Austria exists on a provincial level only, the RTOs operate under the legal system applicable to each province.

Besides these official goals of the NTO and the RTOs, their internal perception of goals was investigated in the course of this study and will be reported in the results section.

3 Method

Although a complete inventory count of the organizations' studies was conducted, the limited number of NTOs and RTOs (ten) in Austria only allows data to be analysed in an explorative and descriptive manner with the goals as defined by Neuman (1997) for such research (see Table 1).

Neumann's approach regarding the purpose of social research was chosen for this study as it proved to be suitable for the goals pursued. Neumann discusses the possibility of mixing the examination of qualitative and quantitative data within social research as well as the fact that these styles share basic principles of science. (p. 14). The main reason for choosing an OB approach for this study is the researcher's "desire to create and discover knowledge" (p.16). Neumann furthermore distinguishes four dimensions of social research, reinforcing one another. The study on market research in Austrian NTOs and RTOs serves an explorative and descriptive purpose; explorative research wants to "formulate more precise questions that future research can answer" and / or "in order to know enough to design and execute a second, more systematic and extensive study" (p. 19). This kind of research tries to give first answers to newly arising topics and frequently uses qualitative data. Descriptive research on the other hand tries to describe a social phenomenon; wants to "present a picture of the specific details of a situation..." (p. 19) or even a group. Which is in this case the NTO / RTOs.

The methodology applied here can best be compared to the case study method in organizational behaviour, where the researcher aims to obtain "detailed information about an individual or a group through a review of records, interviews, questionnaires and observations" (Hellriegel, Slocum & Woodman, 1992, p. 50). The case study method thus represents a "useful method for stimulating insights into problems in relatively new areas where there is little experience to guide the researcher" (Hellriegel, Slocum & Woodman, 1992, p. 50).

Table 1: Goals of explorative vs. descriptive research (source: Neuman, W. L.: Social research methods: qualitative and quantitative approaches, 4. Aufl., Needham Heights MA: Allyn & Bacon 1997, S. 20)

Exploratory Research	Descriptive Research
Become familiar with the basic facts, people, and concerns involved.	Provide an accurate profile of a group.
Develop a well-grounded mental picture of what is occurring.	Describe a process, mechanism or relationship.
Generate many ideas and develop tentative theories and conjectures.	Give verbal or numerical picture (e.g., percentages).
Determine the feasibility of doing additional research.	Find information to stimulate new explanations.
Formulate questions and refine issues for more systematic inquiry.	Present basic background information or a context.
Develop techniques and a sense of direction for future research.	Create a set of categories or classify types.
	Clarify a sequence, set of stages or steps.
	Document information that contradicts prior beliefs about a subject.

A standardised questionnaire was developed (pre-tested in August 2001) and face to face interviews were conducted during October and November 2001 at the premises of the organisations. The persons in charge of market research in the Austrian NTO (Österreich Werbung) as well as in all nine RTOs (state level) were interviewed. The interviews took between one hour and one and a half hours and consisted of mostly open questions. A few questions (as e.g. benefits of market research, which goals the organisations aimed at and which primary market research procedures they applied), however, were posed in closed format where the answer categories were presented to the respondents on separate cards. The questions were chosen to best cover the research question under study. Due to the small sample size, frequency distributions were used to analyse the answers to all questions. Open questions were initially categorized before tables of counts were constructed. In addition, the interview-partners were asked to provide an organigram and the annual report for 2000. Additional material (marketing plans, concepts for market research projects, statistics, market research reports etc.) was voluntarily provided by some of the tourism organisations.

4 Results

1.1 Importance of market research within the organisation

Different approaches were taken to explore the importance of market research in the organisation.

Firstly, in order to obtain an indication of the importance of market research, interviewees were asked what the **goals of the tourism organisation** were in general. As the question was asked in open question format, a wide variety of answers were given. “Positioning with regard to competitors” was most frequently (4 out of 10 cases) stated, followed by “increase in overnight stays” (3), “increase and maintenance of the brand recognition”, “definition of the USP”, “extension of the tourist season” and “networking function” (stated by 2 organisations each). As the wide variety of answers given was expected when the questionnaire was designed, a second closed format question regarding the goals was included. A list of goals based on Akehurst et al. (1993) and Morrison et al. (1995) was presented and the interview-partners were asked to state, which goals apply to their organisations. Goals that were agreed upon by all tourism organisations can be divided in two broad groups: typical marketing goals e.g. increase of brand recognition, brand value, strengthening of the image etc. on the one hand and economical goals e.g. increase of tourist spending by national and by international

tourists etc. The lack of agreement on typical (infra)structural goals listed by Akehurst and Morrison mirrors the fact that tourism legislation is a matter of state politics not tourism organisations in Austria. Market research was not mentioned as a goal pursued by Austrian tourism organisations, possibly because it is viewed as an instrument rather than a goal.

Second, the **importance of the market research department within the tourism organisation** was discussed. Due to the extremely differing organisational structures responses were categorized as “market research is considered more important than marketing action”, “equally important” and “less important”. Out of nine usable answers on this issue, seven perceived market research and marketing action as equally important and two stated that they think it is less important.

Another question that was of interest, although not directly related to the importance of market research for the organisations was, **how “market research” is actually defined** by these institutions. Again, because of the open question format, results were categorized into three definition groups. The first category was characterized by listing techniques, e.g. standardized implementation of market research. The second group of market research definitions included fundamental functions of market research, e.g. “forms basis for marketing action”. The third group consisted of actual issues that were investigated by market research. The two single statements listed most often were “detection of trends” (4 out of 10) and “competition monitoring and benchmarking” (3 out of 10).

With regard to direct **benefits from market research** as perceived by the respondents **for their organisation**, a closed format question was designed based on the listing by Buhalis (2000, p. 97). The results are provided in Table 2, where the answers are given in percent of the total of 10 cases. It should be noted that the results do not mirror actual use of market research for these purposes listed, it gives the attitudes of the respondents with regard to the importance of market research for tackling these issues. As shown in Table 2, all organisations agree that market research is valuable for the identification of the main characteristics of market segments. A very interesting and rather surprising finding is that eight interview-partners believe that market research is important for the explanation of suppressed demand.

Table 2: Evaluation of benefits derived from market research (based on Buhalis, 2000)

Importance of market research in % of n=10					
Contributions of market research					
	very important = 1	important = 2	neglectable = 3	not very important = 4	not important = 5
					Mode
identification of the main attributes anticipated by each market segment,	100				1
examination of reasons deterring people (suppressed demand) from visiting destinations	80	10	10		1
segmentation of market and development of corresponding marketing mixes	70	30			1
design and attributes required for tourism products and services	60	30	10		1
evaluation and development of destination image	60	40			1
opening new markets and reducing dependency an existing ones	60	20	20		1
evaluation of marketing effectiveness and selection of media for promotion	60	20	10	10	1
examination of alternative distribution channels	40	30	20		10
assessment of tourism impacts to the destination and selecting the right segment	40	30	10	10	10
evaluation of the elasticity of demand for each market segment	30	30	30	10	1
reduction of seasonality by matching market segments	30	40	20	10	2
assessment of compatibility with other target markets	30	10	40		20
					3

This table is an excellent basis for further exploration of the attitude towards market research in tourism organisations, e.g. why do only three out of ten people responsible for market research in Austrian tourism organisations find it very important to study the:

- elasticity of demand
- reduction of seasonality
- compatibility of market segments

Do they feel that they have sufficient knowledge about these issues or do they believe that these topics are not relevant for Austria?

Four out of ten tourism organisations questioned stated that they **had a department for market research**. One of these organisations was the NTO, which in this case should be mentioned separately due to a size difference between the NTO and the RTOs. Based on the organigrams provided, how these departments are integrated into the organisation was further investigated. It was found that (out of nine RTOs) in six cases the person responsible for market research was part of the marketing department, two organisations actually had independent market research departments and in one organisation the market research responsible was part of a completely different unit. To explore this in even more detail, respondents were asked what the "official job profile" was for the people in charge of market research. Five respondents stated that "market research" was actually part of the job profile, two named "promotion", one "internal marketing". Thus, the explicit responsibility of market research can only be found in half of the tourism organisations.

Another way to explore the importance of market research as perceived by the tourism organisations themselves is to analyze the **proportion of budget and personnel dedicated to market research tasks**. Six respondents provided the exact figures for their marketing budgets for 2000 (the Austrian NTO provided figures for 1999, which unfortunately are not indicative for the future due to a fundamental restructuring of the organization), seven regarding the market research budget. For reasons of confidentiality only proportions of marketing and market research budgets with regard to the total budget are described here.

The proportion of the marketing budget ranged from 43 and 80 percent of the total budget of the organizations. The resulting proportions of the market research budget are given in Figure 1, where triangles indicate percentages of marketing budget and circles indicate percentages of total budget for each of the seven tourism organizations that provided the requested information.

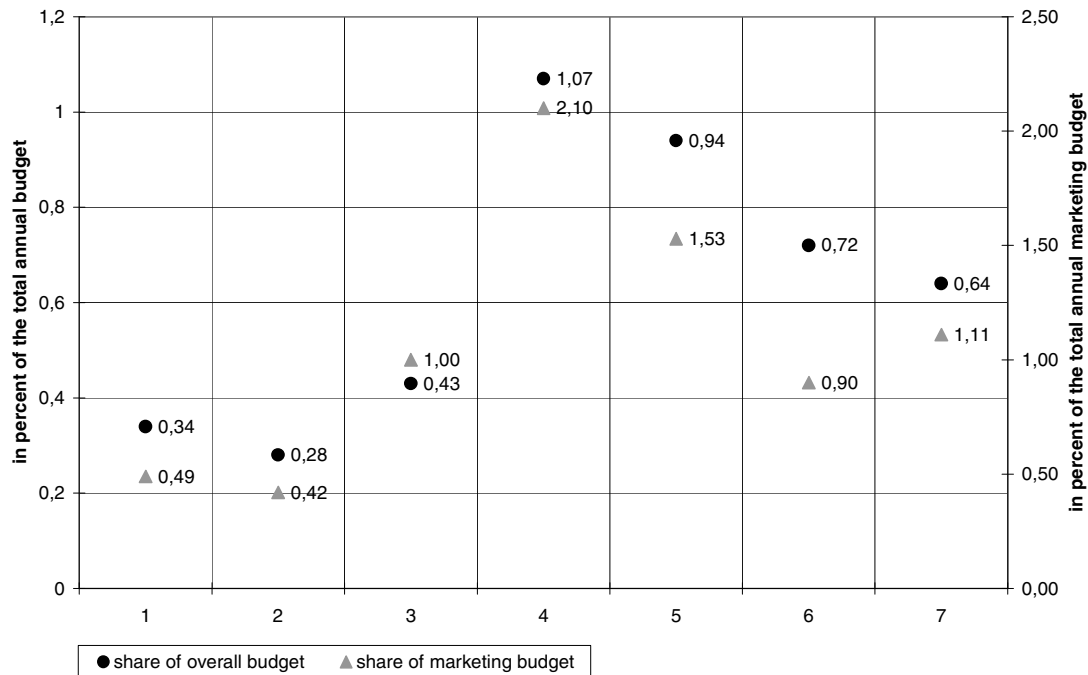


Figure 1: Financial resources for market research

It can be seen that between 0.3 and 1 percent of the total budget is spent on market research, with an average value of 0.6. Using the marketing budget as a calculation basis, between 0.4 and 2.1 percent is used for market research, the average amounting to 1 percent.

Turning from financial resources to personnel reveals a very similar picture. The exact number of total staff, staff working in marketing and staff working in marketing research were provided by nine organizations (either during the interview or on the basis of the organigrams).

The total number of employees ranged between 12 and 213, where the latter was the Austrian National tourism organizations and was excluded from further investigation to avoid distortion of results for the RTOs. Between 26 and 89 percent of the employees were working in the field of marketing, the average value amounting to 51 percent. This changes dramatically when the proportion of people responsible for market research activities is calculated: In seven out of eight remaining cases one single person worked on market research, in one RTO three people were responsible. As one respondent stated: "At the moment market research is a one man show in our RTO". Unfortunately this statement was very representative of the Austrian RTOs in general. To further worsen the situation, market research usually is not even the main / only function of these people.

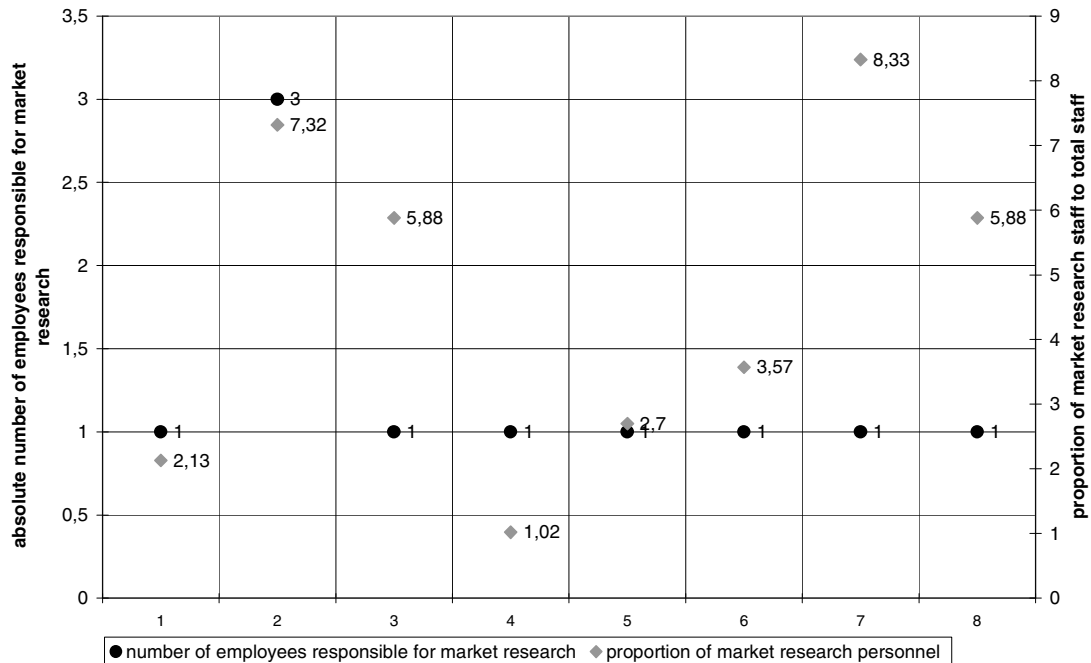


Figure 2: Proportion of employees working in market research

Figure 2 illustrates the proportions for the eight RTOs that provided the information needed. The black circles give the absolute number of employees responsible for market research in the organization, the triangles provide percentage values calculated on the basis of the total number of employees. It was found that this proportion ranges from 1 to 8 percent.

The last issue investigated related to the importance of market research for the NTO and RTOs centers around **recruitment**. The respondents were asked whether the people responsible for market research had actually been appointed for market research. Four out of nine RTOs stated that this was the case, five did not. However, eight stated that "market research" was explicitly listed in their duties as given in the job description. This means that the persons responsible for market research have not typically been employed for this purpose (and with the particular knowledge requirements needed).

To sum up the findings on the importance of market research as perceived by federal tourism organisations in Austria: the people in charge of the market research did consider market research to be at least as important as marketing - and sometimes even more important, as it delivers the necessary data for marketing decisions. Unfortunately, they are usually the only ones with this way of thinking. During their daily work they get the impression that market research is not considered equally important as marketing activities for the tourist success of their region / federal country. Besides these rather subjective feelings of the interviewees, the study revealed several "hard facts" showing how little emphasis is given to market research: (1) budgets for market research are very low (sometimes there is no clearly distinguished market research budget, on average 0.6 percent of the total budget and 1 percent of the marketing budget), (2) only few people work in the field of market research (in 90% of the cases only one single person, where half of them fulfil duties of other jobs as well, thus further reducing the weight attached to market research), however, (3) the word "market research" is found in 89% of the job descriptions of the persons in charge of market research although (4) only 44 percent of them have been actually hired for market research tasks.

2.1 Implementation of market research

First of all and most centrally it was of interest to investigate whether and **how much market research is conducted before launching marketing action**. For this purpose respondents were asked to list last year's three to five most important marketing (promotional) activities and then to state whether and to which extent market research was conducted in advance.

Interestingly, the respondents had problems naming the most important promotional activities although it was clearly explained that they should evaluate importance subjectively. Also they had problems stating whether these activities were backed by market research. This indicates a lack of coordination between the marketing and the market research department. In some cases the marketing department conducted secondary analysis without informing or consulting the market research department.

Translating these qualitative findings in numbers, 74 percent of the promotional activities were stated to be backed by some kind of market research, where the basis for 19 percent was primary (field), for the remaining 55 percent secondary (desk) research. The reasons stated for conducting these studies are given in Table 3, which reveals rather surprisingly how powerful secondary research is believed to be.

Table 3: Reasons for conducting market research

reason for conducting market research	frequencies		
	total	primary research	secondary research
characterize segments	4		4
evaluate potential of a segment	4	2	2
reveal weaknesses in own product offers	3		3
find and implement SP	2	2	
evaluate potential of promotional action in a generating country	2		2
study image, recognition and perception of the offer	1	1	
evaluate long term effects of a promotional activity ex post	1	1	
evaluate past projects	1		1
characterize guests from generating countries	1		1
evaluate effect of past promotional activity	1		1
reveal weaknesses in promotion	1		1
customize promotional activity to segments	1		1
find optimal marketing mix channels for segments	1		1
total:	23	6	17

For the purpose of investigating **which market research tools** are most frequently utilised, respondents were asked to tick approaches listed that had been used at least once in the past year?

All ten tourism organizations had conducted at least one survey, eight had undertaken desk research, two stated that observations had been conducted (mystery guest analysis) and – even more surprisingly - one used experiments to reveal market functioning.

In order to find out how a market research process is typically structured in the tourism organizations under investigation, the respondents stated which stages in the prototypical market research process (Berekoven et al., 1999, p. 4) are typically undertaken on a five point rating scale. As can be seen in Table 4, most of the people responsible for market research in the Austrian TOs present themselves as exemplary: identification and definition of information needed; planning and collection of information is always undertaken by all organisations; definition of the marketing problem, research design; analysis of information and evaluation of outcome by all but one. Secondary research, the approach found to be extremely popular, is always conducted by seven organisations and presentation of results is only part of the standard procedure in five out of ten TOs under study. Probably, the question format was not optimal for investigation of this issue. Open question format should be chosen if further studies.

Table 4: Stages of the market research process undertaken

stages in a market research process	frequency (n=10)						
	1 = always	2 = almost always	3 = mostly	4 = rarely	5 = never	mean	mode
definition of a marketing problem	9		1			1,2	1
identification and definition of information need	10					1	1
secondary research	7	2		1		1,5	1
definition of the market research design	9		1			1,2	1
planning	10					1	1
collection of information	10					1	1
analysis of information	9	1				1,1	1
presentation of results, report	5	3	1	1		1,8	1
comparison of results and information needs defined	9	3				1,2	1

Overall it can be said about the use of market research in Austrian federal tourism organisations, that the decentralised way of working dominates - decisions are taken by the people who work on the topic; top level management is only consulted if absolutely necessary or if the market research results have a determining influence on the tourism industry. In general, market research information is passed to the person in the organisation who needs it and works with the information. A problematic issue revealed in the interviews is that a distinction is made between market research information gathered "only for internal purposes" and information dedicated to people outside the tourism organisation. The latter is treated as more important and receives greater recognition within the organisation. Another disadvantage, probably stemming from the decentralised structures, is the lack of formalised criteria for the use of market research. At the moment the person carrying out the market research - often not even the market research responsible but someone from the marketing department - can decide by himself/herself about the use of market research. The variety in the use of market research instruments is found to be very limited; mostly, market research is carried out by external companies or secondary data analysis is implemented by internal staff.

5 Discussion

The concept of relying on past success is dangerous in times where market conditions change rapidly and competition is global and constantly increasing in the international tourism market. The results of this empirical study indicate that the starting position for the Austrian tourism industry under these changed circumstances is not very favourable because the importance of market research is generally underestimated among federal tourism organisations. Although the people responsible for market research in these TOs do know about the fundamental importance of marketing research, these opinions are not mirrored by the reality of market research being embedded in the Austrian NTO and RTOs: 0.6 percent of the total budget and 1 percent of the marketing budget is spent on market research on average; and in all provincial tourism organisations only one person, who typically has not been employed for this task, is responsible for market research (five out of nine RTO). Work is usually conducted in a decentralised manner, thus leading to a lack of co-ordination of different departments within the tourism organisations. Formalised criteria for evaluating the need for, as well as conducting market research or buying research from specialised companies, do not exist. The instruments used do not vary greatly. Mostly desk research is conducted. Primary research is typically used for segment characterisation as well as definition and implementation of the USP. Primary research is rarely conducted directly by the tourism organisations, typically such projects are out-sourced.

As a consequence of these circumstances, market research is reduced to an absolute necessary minimum (usually routine studies that have been conducted for many years already) and the focus is shifting from market research as a fundamental knowledge basis for marketing action towards studies that are easily marketable and can be sold to the tourism industry. Also, a lack of co-ordination between market research and marketing is revealed as there seems to be only little knowledge transfer between these two departments. The people in charge of market research are rarely integrated in major marketing decisions and often do not exactly know what is occurring in the marketing department. Finally, the storage of information gained from market research is poorly organised which means that there is no knowledge management that prevents tourism organisations from investing the little amount of budget into redundant studies.

Four fundamental recommendations can be made in order to reduce the weaknesses and shortfalls of present market research use:

In-house marketing / increasing awareness for the importance of market research within the organisation: As a consequence of short-term invariable resources, which means that within a short period of time there is no possibility to allocate additional personnel or money to the market research departments, the RTOs should attempt to modify their views on the fundamental importance of market research. Possible measures include inclusion of the word "market research" in the job profile of people working in market research, hiring people with market research competence, establishment of market research departments or at least not treating market research as a side job, clear differentiation of market research and analysis of (typically macro-economic) statistical data, introduction of formalized communication paths between persons in charge of market research and other departments (especially those spending marketing millions) and finally, the installation of a structured market research library and / or database.

Improvement of the market research activities / best practice: This goal could be achieved by taking (some of) the following measures: revision of existing / actual course of market

research activities, introduction of formalized criteria for the use of market research, co-ordination of all market research activities, further market research education, facilitation of the conception and implementation of new and innovative market research projects.

In the sequence of measures the last measures will only be successful when the in-house marketing for market research has been implemented. The two results (better image and an improved application of market research) will then lead to better market research results, which will be fully accepted by the sensitised personnel of the organisation.

Better resource allocation: The next conclusive and logical step would be to allocate more resources - financial and personnel – to market research. After having improved the image of market research, there should be little resistance against this measure, as the whole organisation will be aware of the importance of market research information. Besides the increase of the resources, accompanying measures should be taken, e.g. central administration of all market research studies / projects. If others than the market research department want to conduct studies, these budgets must be declared as belonging to market research. And the studies themselves must be administered by the person responsible for market research. An alternative way would be the introduction of an internal costing system.

Active market research role to be taken by the Austrian NTO: The market research department of the Austrian NTO should abandon its passive "library-position". It should develop into a competitor to traditional market research agencies - and THE market research competence centre for tourism market research in Austria. At the moment (the Austrian NTO has been restructured and now also offers market research as a service other organisations pay for) they still benefit from their first mover advantage, having very good connections to the Regional Tourism Organisations and they do know what the federal countries need. They can count on their good will resulting from past work experience. But with market research being a highly competitive market as well, the NTO will need to carefully evaluate pricing strategies to avoid losing the tourism market research competence while traditional market research companies lack experience in tourism-specific market research.

Two major limitations have to be pointed out with respect to this study: First, the results obviously cannot be generalized beyond the borders of Austria and, second, the study was conducted in a purely descriptive manner assuming (not measuring) the favourable impact of market research on marketing action effectiveness. This latter drawback is due to the fact that direct accountability of NTO or RTO success is very difficult to assess.

It would be interesting to use the standardized questionnaire and conduct another survey in other countries in order to compare the market research orientation of NTOs and RTOs. In this context it would be especially interesting to study if there is any obvious interrelation of market research effort and results achieved by the national tourism industry.

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